



**WITTE**  
lawn maintenance, inc.

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February 12, 2014

Senator Jensen  
Ladies and Gentlemen

Thank you for the honor and invitation to speak to you this morning. My name is Herman Witte and I own and operate Witte Lawn Maintenance, Inc. a Landscape Management and Snow and Ice Management firm in Wyoming, MI. This is a family firm that dates back to 1957 when my father started the business. I have operated it since January of 1976. We are member of various organizations such as the Michigan Chamber, Grandville Jenison Chamber, NFIB, The BBB of Western Michigan, AGRLP, The Michigan Nursery and Landscape Association – MNLA, and SIMA. In 2013 our firm employed 32 people with a total payroll of \$432,756 in 2013. We paid \$924 in FUTA taxes, \$19,595 in Michigan Unemployment taxes, and \$1,915 for the Michigan Obligation Tax.

In Late October / early November I read an e-mail from the Michigan Chamber that mentioned that HB 4958 had passed the house by a very large majority. HB 4958 just caught me as wrong. I have given each of you a copy of the original e-mail that I sent to Senator Jansens office and a copy of a letter written by Mark Oomkes of Oomkes Landscape Management, Inc. which I received yesterday. I will gladly read those to you.

Read Herm's

Read Mark's

In closing, owning and operating a business is one of continual decision making, how many people to hire, how much to pay them, how much to pay myself, what to charge our clients for our services or products and on it goes. At Witte Lawn Maintenance, Inc. we have made the decision to hire employees whom are legal residents of Michigan. Our employees are a mix of full time, seasonally full time, college and high school. On each of these employees we pay the taxes that are required of us. Firms who choose use H-2B seasonal laborers take on the cost of getting those laborers here and should also be responsible for paying unemployment taxes on those wages. Approving this bill will give those employers an incentive to continue to hire H-2B seasonal help and will also encourage others to do so as well while ignoring the employment needs of the legal residents of our Great State!

Herm Witte

President  
Witte Lawn Maintenance, Inc.

***Serving West Michigan Since 1957***

*Mowing Maintenance • Lawncare • Landscape Management Services • Landscape Design • Landscape Installation  
Snowplowing • Ice Management Services*



Herm Witte &lt;hermanwritte@gmail.com&gt;

**Re: HB 4958**

16 messages

**Herm Witte** <hwitte@wittelawn.com>

Thu, Nov 14, 2013 at 4:38 PM

To: senmjansen@senate.michigan.gov

Cc: ThomasHooker@house.mi.gov, mark@oomkeslandscape.com

Senator Jansen,

I spoke at length this afternoon with Representative Thomas Hooker. He suggested that I send you an e-mail regarding HB 4958, so here it is. I also am aware that Mark Oomkes recently contacted your office as well regarding this issue. I would appreciate an opportunity to talk with you directly regarding this bill. I can be reached via e-mail at hwitte@wittelawn.com or cell at 616 318-7221 and certainly would make myself available when you have an opening in your schedule. A similar e-mail was also recently sent to the Committee on Reforms, Restructuring, and Reinvention of which you are a member.

***"Thank you for taking the time to read my concern regarding House Bill 4958 which will be or already is in your committee for review.***

***If I understand HB 4958 correctly, if adopted and passed by the Senate the bill will exempt employers from paying unemployment taxes on H-2B workers. There are numerous Landscape Contractors a number of whom are direct competitors of mine that employ H-2B workers. My firm is a landscape management firm and we employ full time and part time adults and young adults all of whom are legal residents of Michigan. Currently my firm pays Unemployment Taxes on all of our employees whether they are full or part time. Since we are a seasonal employer we lay off our help in December and call them back to work in March or April of each year. My firms current unemployment rate is set at 12.46%, this amounts to \$1,183.70 for each employee earning over \$9,500.00. The FUTA rate is set at 0.6% of the first \$7,000.00 earned which amounts to \$42.00 per employee. Adding the two together you will see that it costs my firm \$1,225.70 in unemployment taxes for each employee earning \$9,500.00 or more. The following are a few results that quickly come to mind, intended or not, if HB 4958 is passed by the Senate and are as follows;***

- 1. There will be a significant tax advantage for those companies hiring H-2B seasonal laborers. The advantage potentially can amount up to \$1,225.70 per employee.***
- 2. Implementation will be an encouragement for seasonal employers to hire H2B workers versus legal residents of Michigan.***
- 3. Implementation will be counter productive to hiring legal residents of Michigan.***
- 4. Revenues to the the Unemployment Fund will decrease.***
- 5. The state will have provided an economic advantage for firms using H-2B employees.***

***Part of the the rationale for this bill seems to be that H-2B workers can not collect unemployment benefits. While this sounds rational, using that as a reason is flawed. As President of Witte Lawn Maintenance, Inc. I am ineligible for unemployment benefits, in addition, our high school and college aged young adults are ineligible for benefits as well. All the while our firm has paid unemployment taxes on those wages as required.***

***I feel that Unemployment taxation is a cost all of us doing business in Michigan need to share whether or not we choose to hire legal residents of Michigan or whether we choose to pursue hiring employees***

2/12/14

Gmail - Re: HB 4958

***through the H-2B program. I feel that it is fundamentally wrong for the state to enact a law that gives one business an advantage over another. As a result I recommend that HB 4958 be defeated."***

*Herm Witte*

*President*

*Witte Lawn Maintenance, Inc.*

*Immediate Past President*

*Michigan Nursery and Landscape Association*



MEMBER OF  
Associated Landscape  
Contractors of America  
Association of Grand Rapids  
Landscape Professionals  
Grand Rapids  
Chamber of Commerce  
Michigan Turfgrass Foundation  
Snow & Ice  
Management Association

RE: HB4958

To whom it may concern:

I was made aware of the passage of this bill by House by Herin Witte. I have several issues with this bill, some of which go far deeper than the bill itself.

1) First of all, it is easier to quote Mr. Witte:

*Should any branch of our government, local, state or federal, pass a law that as an end result its enactment would end up being a financial advantage for one to hire foreign temporary worker versus hiring a legal resident of our city, state and country?*

What this bill does, if I understand it correctly, is make it preferable/less expensive for an employer to hire a non-citizen of the USA to perform work. As a landscaper, this means it would be less expensive for me to hire H2B employees instead of hiring high school and college age sons, daughters, nephews, nieces, etc to perform seasonal work. In actuality, it would be foolish for me to not go the H2B route, because I will no longer be competitive with other companies that hire H2B employees. What would the end result be? Even higher unemployment for our high school and college age citizens and even working age citizens because in the long run, why would I not hire as many H2B employees as possible? How do I compete against other businesses who have made the decision to hire non-citizens and have been rewarded for hiring them? While I have made a commitment to employ legal, US citizens.

2) The unemployment system will become even more unstable than it currently is. Over the past decade, while Michigan was in a one state recession, unemployment "benefits" were extended time and again without any input from the employers and employees who actually pay these "benefits". They were extended to the point that the state of Michigan had to borrow from the federal government, because the executive and legislative branches deemed it necessary to extend payments far beyond what was available from the state fund. When this loan came due, the legislative and executive branch--once again without input from those paying those "benefits"--raised unemployment rates to repay that loan, the loan that was needed because we did not have the funds in the first place. This is taxation without representation, the reason our country was founded in the first place. 230 years later and we are still fighting the same battle.

3) The crux of this matter--the H2B program--is government interference in the free market at its worst. The reason behind this program is because allegedly "American citizens" will not do the work that these workers are hired to do. What this means, is that the pay for doing this work is not high enough. The free market would dictate that this type of work would require higher wages. High enough wages that American citizens would perform this kind of work to the point that full employment is reached. At that point in time, a program such as H2B could be looked into. At this point in time, with the unemployment rates in Michigan as high as they are; those no longer looking for work; and those that are underemployed; it is unconscionable to me that our government--state or federal--would reward employers for hiring non-citizens of the state and country to perform any type of labor. Which in turn stresses the unemployment system as well as other forms of welfare even further, creating an even higher burden on taxpaying citizens and corporations. I would love to be able to pay my employees (all legal citizens of the USA) more than what I can, but because of government interference in the marketplace and in order to remain in business, I am charging less per hour than I was able to 10-15 even 20 years ago. All the while fuel, labor, health care and insurance costs have risen astronomically.

Please do not pass this legislation, as it truly caters to "big business" and will only hurt small businesses--the backbone of our country--as well as the government, and ultimately, the citizens.

Mark Oomkes  
President  
Oomkes Landscape Management, Inc.